



JLARC Evaluates Washington's Public Mental Health System

What did JLARC find? JLARC's performance audit of the state's public mental health system found a complex, billion dollar system in need of better accountability, data, and coordination of programs. While many accountability **processes** are in place, there is little information on system or client **outcomes**, and the fiscal, client, and service data collected are not consistent. Inconsistencies in data and the lack of outcome information make comparisons of efficiency and effectiveness of services impossible. On the funding side, there are wide disparities in the financial resources allocated to the 14 Regional Support Networks (RSNs). In turn, there are also wide variations in the operating practices and costs of services among these RSNs and their allied community mental health providers.

What does JLARC recommend? JLARC has made 14 recommendations to improve the way Washington's community mental health system operates. Highlights include—

- Washington's mental health system (the Mental Health Division of the Department of Social and Health Services, the RSNs, and the mental health providers) should make the **coordination of services** for clients with multiple needs more effective.
- State oversight efforts should concentrate more on collecting **outcome** measures that show client improvements resulting from the public resources that we expend on mental health.
- **Disparities and inequities** in funding the RSNs should be reduced and the funding system simplified.
- Funds allocated for **state hospital beds** should go to the **RSNs**, folded into their managed care system for public mental health.
- Cost and outcome information should be used to identify and reward **best practices**.

Study Scope. JLARC conducted a broad review of Washington's public mental health system as directed in the 1999-2001 biennial budget. This review included—

- Analyzing **roles and responsibilities** of the MHD, the RSNs, and mental health providers.
- Analyzing the **funding of the RSNs** through contracts with the state.
- Analyzing the levels of **services, client outcomes, and costs** for the RSNs.
- Analyzing the nature and scope of **contracts between RSNs and providers**.
- Making **recommendations for changes** in the ways funds are distributed.

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Investing in the Environment

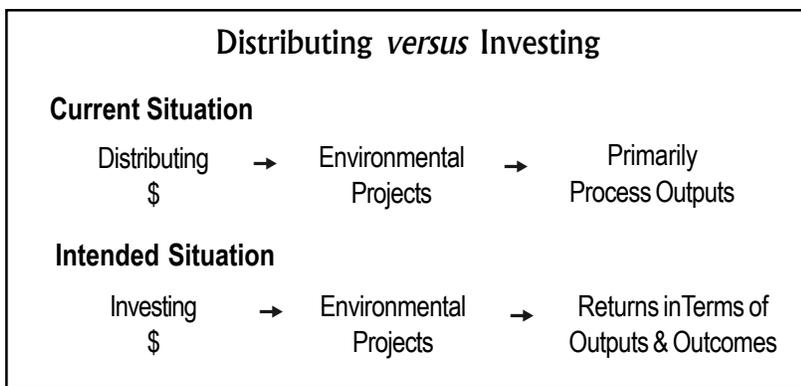
An Investment Strategy for Environmental Grant and Loan Programs

The Washington Legislature funds 12 environmental grant and loan programs through its biennial capital budget. A recently completed JLARC performance audit of these programs found that they are not collecting information to show that these grants and loans are effectively improving environmental quality and recommended ways to get such information.

These 12 programs have been budgeted \$440 million in the current, 1999-2001 Biennium. They fund a broad range of local government, non-profit, tribal, and state agency projects and activities. These projects are intended to restore salmon habitat, construct sewage treatment plants, clean up hazardous waste, manage dairy waste, implement recycling efforts, and provide environmental education.

JLARC found that some steps have been taken to look at meaningful environmental performance and to coordinate projects across agency and program boundaries. However, key data for monitoring environmental quality, learning from past projects, and providing environmental improvements in coordinated ways are missing. Local governments interviewed during the study expressed similar concerns and suggested ways to streamline and improve services. At this time, the one result that is most clearly evident across all these state-funded environmental programs is that public funds have been **distributed**, generally in ways that policymakers intended.

As part of its review, JLARC developed a model that provides a framework for more deliberate environmental decision-making. The model is based on the concept of **investment**—that is getting a demonstrated return of quality improvements in water, land, or species (*i.e., salmon*) resources from the expenditure of scarce public funds. Using an investment approach requires a critical look at the expected **outcomes or investment results** when making decisions about funding environmental projects. Using such an investment concept also suggests that those projects with a higher probability of benefits exceeding costs will be selected.



In concluding its review, JLARC recommends that these environmental grant and loan programs use this **investment model** to prioritize, select, and coordinate environmental projects. There could then be greater certainty that the scarce capital budget resources provided to these programs, intended to improve Washington's overall environmental quality, actually do so. (January 2001)

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Washington's Welfare Reform

JLARC Evaluates WorkFirst and Child Support Collections

WorkFirst. The 1997 Legislature enacted Washington's welfare reform—WorkFirst—with the expectations of a reduction in the welfare caseload of 20 percent in four years, an increase in work among welfare recipients, an increase in their earnings, and a decrease in time on welfare. The Legislature also expected this reform to do better than the old Aid to Families with Dependent Children (AFDC).

The story of the dramatic decrease in Washington's welfare caseload—37 percent in three years—is well known. JLARC's evaluation has looked much deeper, however, at WorkFirst's ability to meet those specific goals the Legislature established in 1997.

Legislative Goal	Outcome
Reduce Welfare Use	WorkFirst clients more likely to be off welfare after 12 months than AFDC clients.
Increase Employment	WorkFirst clients 56 percent more likely to be employed than AFDC clients.
Increase Earnings	WorkFirst increases average quarterly earnings by \$263 compared to AFDC.
Do Better Than AFDC	WorkFirst successfully meets goals and is cost-effective compared to AFDC.

JLARC's evaluation recommended changes—with WorkFirst agreeing—to pay as much attention to welfare clients keeping jobs getting jobs in the first place. WorkFirst's services to welfare clients must be more dynamic and adapted to the needs of those who lose their jobs after initially leaving welfare. WorkFirst has to retool and continually “reinvent” its strategies to deal effectively with those returning to the welfare caseload. The 5-year time limit on receiving welfare benefits will occur in August 2002. Both state and federal laws allow for up to 20 percent of the caseload to be “extended” beyond this 5-year limit. JLARC's evaluation has looked at welfare recipients who are likely to use up their five years and has estimated that less than 20 percent of the current caseload will hit this time limit.

Washington's challenges at this stage of its welfare reform are very similar to those of most other states. This dynamic interaction of “**work and welfare**” will remain the major challenge of successfully implementing this major policy change, which JLARC will continue to evaluate in 2001.

Child Support. The 1997 Legislature also intended that a more assertive approach be taken to the enforcement and collection of child support owed, to ensure that families get child support and prevent their relying on public assistance. JLARC examined the Division of Child Support within the Department of Social and Health Services in 2000. The intended overall reduction in the welfare caseload has reduced federal incentive payments, as well as the average amount collected per welfare case. All of this is taking place when courts are increasing the overall numbers of child support orders.

JLARC found that the Division is challenged to be more proactive in grappling with these ongoing changes in the welfare caseload and accompanying child support collections. JLARC recommends options to charge fees to collect child support from non-welfare cases, improvements in the collection of owed and overdue child support, and improvements to administrative information and performance systems.

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JLARC Also Examined Other Issues in 2000

Mentally Ill Offenders: Impact of 2SSB 6214

The 1998 Legislature made changes to Washington’s civil commitment and criminal competency laws largely in response to the fatal stabbing of a retired Seattle firefighter by an individual with a history of violent acts and civil commitments for mental illness. JLARC found, overall, that this Act has had a generally positive, but somewhat limited, effect on achieving its goals of closing gaps in the mental health and criminal justice systems. To improve the impact of this Act, JLARC recommends changes relating to the conduct of criminal competency evaluations, the duration of criminal competency restoration commitments for misdemeanants, and communication of relevant criminal history and mental health information to those agencies and organizations impacted by the Act. *(December 2000)*

Involuntary Commitment of Mentally Ill Persons: Impact of SSB 5562

This 1997 legislation provided a tool to help break what was seen as a “revolving door” of involuntary commitment for mental illness, followed by release and eventual decompensation, leading to repeated hospitalizations or involvement with law enforcement. Some impact on reducing inpatient hospitalizations and criminal behavior has been realized. JLARC found a general lack of familiarity of this Act among county designated mental health professionals and made recommendations to correct this situation. *(December 1999)*

Diabetes Cost Reduction Act Sunset Review

The 1997 Legislature passed this Act to require health plans to provide self-management education and training, as well as medically necessary equipment and supplies, to patients with diabetes. This sunset review looked at state and national information and concluded that too little time had elapsed to evaluate the Act’s cost effectiveness. The sunset review recommended that the sunset termination be rescinded, and that the Washington Department of Health should evaluate the impact of the Act and report to the Legislature in 2007. *(January 2000)*

University of Washington Metro Tract

The 1999 Legislature directed the University of Washington (UW) to report to JLARC on its management of the Metropolitan Tract in downtown Seattle. JLARC staff reviewed the UW report and analyzed the financial context of its management of the Tract, drawing attention to some of the factors associated with the current return on investment picture. JLARC recommended that the University not renew its leasing arrangements for the Tract under the current terms and conditions. *(January 2000)*

Public Disclosure Commission

The 1999 Legislature directed JLARC to carry out a performance audit of the “duties and staffing” of Washington’s Public Disclosure Commission (PDC). JLARC’s study assesses recent PDC activities, staffing, budget, and resource allocation practices. JLARC recommends improvements in the PDC’s major duties of information disclosure and enforcement, including ways to improve its electronic disclosure system and to reduce its enforcement caseload. Comparative information about campaign finance disclosure agencies in other states is also included. *(December 2000)*

NCSL

JLARC received an impact award from the National Conference of State Legislatures (NCSL) in July 2000. This award recognized the impact that JLARC’s Rural Area Marketing Plan Evaluation contributed to revising and renewing Washington’s Sunset Law of 2000.

Peer Review

An independent quality control review in 2000 concluded that JLARC’s work represents high quality research as measured against professional standards of its legislative peers and also identified areas where improvements can be made.

JLARC'S Reviews for 2001 Are Underway

K-12 Special Education Study

The 2000 Legislature directed JLARC to examine Washington's special education programs and pay particular attention to assessing the safety net funding process and reviewing the special education program audits of the State Auditor's Office. JLARC produced its first interim report in October 2000, to be followed by additional reports in November 2001 and June 2002.

Unemployment Insurance TeleCenters

Legislation enacted in 1998 allowed the Employment Security Department to handle claims for unemployment insurance, as well as regular reporting on job search, to be conducted by telephone and internet. JLARC will assess the impact of this change in the management of Washington's unemployment insurance program, as directed in this legislation. Report due in September 2001.

Other Studies

During 2001, JLARC will begin work on a study dealing with capital planning and budgeting issues and a quality assurance study of adult family homes. JLARC will also do follow-up work on recent performance audits—child support, state patrol, highways and rails programs, vehicle and drivers licensing programs, juvenile rehabilitation, and others.

In addition, Washington has a new sunset law, enacted in 2000, which requires a “front-end” process to establish performance measures for those programs on the sunset review schedule. JLARC will be working with agencies to develop those performance measures for future sunset reviews of the intermediate drivers licenses law and for the Office of Public Defense.

How Do JLARC Studies Get Started?

The Joint Legislative Audit and Review Committee usually carries out around a dozen performance audits, sunset reviews, program evaluations, and studies each year on behalf of the Legislature and the citizens of the state of Washington. How does this work get started? Through the following means . . .

- **Legislative provisos** in the biennial budget or in policy legislation direct JLARC to carry out studies and report back to legislative policy and fiscal committees. JLARC's recent major study of Washington's community mental health system, for example, was directed in the 1999-2001 biennial budget.
- **Sunset dates** are inserted into legislation authorizing policies, state programs, and, occasionally, entire state agencies. Any state entity can be scheduled for sunset termination and review under Washington's Sunset Law, which was revised and improved in the 2000 Session [RCW 43.131]. This sunset provision, in turn, triggers a two-stage review process by JLARC to establish performance measures and to evaluate whether or not performance targets were achieved.
- **JLARC's Biennial Work Plan** reflects the Committee's own priorities for study topics in each biennium. The Committee and its Legislative Auditor solicit input and suggestions for study topics from its own members, other legislators, legislative staff, as well as executive agency staff. JLARC's recent major study of the impact of environmental grants and loans funded through the capital budget is part of the Committee's 1999-2001 Work Plan.

While “mandated” studies make up a considerable portion of JLARC's work each year, the Committee encourages suggestions and recommendations for studies that are likely to have significant policy or fiscal impact for the state.

To communicate suggestions for future JLARC studies, or for further information on topics covered in this report, get in touch with JLARC's Legislative Auditor and staff director - Tom Sykes - at 360.786.5175 or sykes_to@leg.wa.gov. Check our website for more detailed information on all of our recent studies.

JLARC MISSION

The Joint Legislative Audit and Review Committee (JLARC) conducts objective performance audits, program evaluations, special studies, and sunset reviews on behalf of the Legislature and the citizens of the state of Washington. The Committee makes recommendations to the Legislature and state agencies that should result in cost savings and/or improved performance in state government.

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